

108TH CONGRESS  
2D SESSION

# H. R. 4663

To amend part C of the Balanced Budget and Emergency Deficit Control Act of 1985 to establish discretionary spending limits and a pay-as-you-go requirement for mandatory spending.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 23, 2004

Mr. NUSSLE introduced the following bill; which was referred to the Committee on the Budget

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## A BILL

To amend part C of the Balanced Budget and Emergency Deficit Control Act of 1985 to establish discretionary spending limits and a pay-as-you-go requirement for mandatory spending.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Spending Control Act  
5       of 2004”.

6       **SEC. 2. EXTENSION OF DISCRETIONARY SPENDING LIMITS.**

7       (a) DISCRETIONARY SPENDING LIMITS.—(1) Section  
8       251(c)(1) of the Balanced Budget and Emergency Deficit

1 Control Act of 1985 (relating to fiscal year 2004) is  
2 amended—

3 (A) in subparagraph (A), by striking  
4 “\$31,834,000,000” and inserting  
5 “\$28,052,000,000”; and

6 (B) in subparagraph (B), by striking  
7 “\$1,462,000,000” and inserting “\$1,436,000,000”  
8 and by striking “\$6,629,000,000” and inserting  
9 “\$6,271,000,000”.

10 (2) Section 251(c)(2) of the Balanced Budget and  
11 Emergency Deficit Control Act of 1985 is amended by in-  
12 serting a dash after “2005”, by redesignating the remain-  
13 ing portion of such paragraph as subparagraph (D) and  
14 by moving it two ems to the right, and by inserting after  
15 the dash the following new subparagraphs:

16 “(A) for the general purpose discretionary  
17 category: \$817,726,000,000 in new budget au-  
18 thority and \$866,056,000,000 in outlays;

19 “(B) for the highway category:  
20 \$30,585,000,000 in outlays; and

21 “(C) for the mass transit category:  
22 \$1,554,000,000 in new budget authority and  
23 \$6,787,000,000 in outlays; and”.

24 (3) Section 251(c)(3) of the Balanced Budget and  
25 Emergency Deficit Control Act of 1985 is amended by in-

1   serting a dash after “2006”, by redesignating the remain-  
 2   ing portion of such paragraph as subparagraph (D) and  
 3   by moving it two ems to the right, and by inserting after  
 4   the dash the following new subparagraphs:

5                   “(A) for the general purpose discretionary  
 6                   category: \$839,167,000,000 in new budget au-  
 7                   thority and \$851,731,000,000 in outlays;

8                   “(B)    for    the    highway    category:  
 9                   \$33,271,000,000 in outlays; and

10                   “(C) for the mass transit category:  
 11                   \$1,671,000,000 in new budget authority and  
 12                   \$7,585,000,000 in outlays; and”.

13       (4) Section 251(c) of the Balanced Budget and  
 14   Emergency Deficit Control Act of 1985 is amended by re-  
 15   designating paragraphs (4) through (9) as paragraphs (7)  
 16   through (12) and inserting after paragraph (3) the fol-  
 17   lowing new paragraphs:

18                   “(4) with respect to fiscal year 2007—

19                   “(A)    for    the    highway    category:  
 20                   \$35,248,000,000 in outlays; and

21                   “(B) for the mass transit category:  
 22                   \$1,785,000,000 in new budget authority and  
 23                   \$8,110,000,000 in outlays;

24                   “(5) with respect to fiscal year 2008—

1 “(A) for the highway category:  
2 \$36,587,000,000 in outlays; and

3 “(B) for the mass transit category:  
4 \$1,890,000,000 in new budget authority and  
5 \$8,517,000,000 in outlays; and

6 “(6) with respect to fiscal year 2009—

7 “(A) for the highway category:  
8 \$37,682,000,000 in outlays; and

9 “(B) for the mass transit category:  
10 \$2,017,000,000 in new budget authority and  
11 \$8,968,000,000 in outlays;”.

12 (b) DEFINITIONS.—Section 250(c)(4) of the Bal-  
13 anced Budget and Emergency Deficit Control Act of 1985  
14 is amended—

15 (1) in subparagraph (B), by—

16 (A) striking “the Transportation Equity  
17 Act for the 21st Century and the Surface  
18 Transportation Extension Act of 2003” and in-  
19 serting “the Transportation Equity Act: A Leg-  
20 acy for Users”; and

21 (B) inserting before the period at the end  
22 the following new clauses:

23 “(v) 69-8158-0-7-401 (Motor Carrier Safe-  
24 ty Grants).

1                   “(vi) 69-8159-0-7-401 (Motor Carrier  
2                   Safety Operations and Programs).”;

3                   (2) in subparagraph (C), by—

4                   (A) inserting “(and successor accounts)”  
5                   after “budget accounts”; and

6                   (B) striking “the Transportation Equity  
7                   Act for the 21st Century and the Surface  
8                   Transportation Extension Act of 2003 or for  
9                   which appropriations are provided pursuant to  
10                  authorizations contained in those Acts (except  
11                  that appropriations provided pursuant to sec-  
12                  tion 5338(h) of title 49, United States Code, as  
13                  amended by the Transportation Equity Act for  
14                  the 21st Century, shall not be included in this  
15                  category)” and inserting “the Transportation  
16                  Equity Act: A Legacy for Users or for which  
17                  appropriations are provided pursuant to author-  
18                  izations contained in that Act”; and

19                  (3) in subparagraph (D)(ii), by striking “sec-  
20                  tion 8103 of the Transportation Equity Act for the  
21                  21st Century” and inserting “section 8103 of the  
22                  Transportation Equity Act: A Legacy for Users”.

1 **SEC. 3. ADJUSTMENTS TO ALIGN HIGHWAY SPENDING**  
2 **WITH REVENUES.**

3 Subparagraphs (B) through (E) of section 251(b)(1)  
4 of the Balanced Budget and Emergency Deficit Control  
5 Act of 1985 are amended to read as follows:

6 “(B) ADJUSTMENT TO ALIGN HIGHWAY  
7 SPENDING WITH REVENUES.—(i) When the  
8 President submits the budget under section  
9 1105 of title 31, United States Code, OMB  
10 shall calculate and the budget shall make ad-  
11 justments to the highway category for the budg-  
12 et year and each outyear as provided in clause  
13 (ii)(I)(cc).

14 “(ii)(I)(aa) OMB shall take the actual level  
15 of highway receipts for the year before the cur-  
16 rent year and subtract the sum of the estimated  
17 level of highway receipts in subclause (II) plus  
18 any amount previously calculated under item  
19 (bb) for that year.

20 (bb) OMB shall take the current estimate  
21 of highway receipts for the current year and  
22 subtract the estimated level of receipts for that  
23 year.

24 “(cc) OMB shall add one-half of the sum  
25 of the amount calculated under items (aa) and  
26 (bb) to the obligation limitations set forth in

the section 8103 of the Transportation Equity Act: A Legacy for Users and, using current estimates, calculate the outlay change resulting from the change in obligations for the budget year and the first outyear and the outlays flowing therefrom through subsequent fiscal years. After making the calculations under the preceding sentence, OMB shall adjust the amount of obligations set forth in that section for the budget year and the first outyear by adding one-half of the sum of the amount calculated under items (aa) and (bb) to each such year.

“(II) The estimated level of highway receipts for the purposes of this clause are—

“(aa) for fiscal year 2004,  
\$30,572,000,000;

“(bb) for fiscal year 2005,  
\$34,260,000,000;

“(cc) for fiscal year 2006,  
\$35,586,000,000;

“(dd) for fiscal year 2007,  
\$36,570,000,000;

“(ee) for fiscal year 2008,  
\$37,603,000,000; and

1                   “(ff)     for     fiscal     year     2009,  
2                   \$38,651,000,000.

3                   “(III) In this clause, the term ‘highway re-  
4                   ceipts’ means the governmental receipts cred-  
5                   ited to the highway account of the Highway  
6                   Trust Fund.

7                   “(C) In addition to the adjustment required by  
8                   subparagraph (B), when the President submits the  
9                   budget under section 1105 of title 31, United States  
10                  Code, for fiscal year 2006, 2007, 2008, or 2009,  
11                  OMB shall calculate and the budget shall include for  
12                  the budget year and each outyear an adjustment to  
13                  the limits on outlays for the highway category and  
14                  the mass transit category equal to—

15                  “(i) the outlays for the applicable category  
16                  calculated assuming obligation levels consistent  
17                  with the estimates prepared pursuant to sub-  
18                  paragraph (D), as adjusted, using current tech-  
19                  nical assumptions; minus

20                  “(ii) the outlays for the applicable category  
21                  set forth in the subparagraph (D) estimates, as  
22                  adjusted.

23                  “(D)(i) When OMB and CBO submit their final  
24                  sequester report for fiscal year 2004, that report  
25                  shall include an estimate of the outlays for each of



1 the categories that would result in fiscal years 2005  
2 through 2009 from obligations at the levels specified  
3 in section 8103 of the Transportation Equity Act: A  
4 Legacy for Users using current assumptions.

5 “(ii) When the President submits the budget  
6 under section 1105 of title 31, United States Code,  
7 for fiscal year 2006, 2007, 2008, or 2009, OMB  
8 shall adjust the estimates made in clause (i) by the  
9 adjustments by subparagraphs (B) and (C).

10 “(E) OMB shall consult with the Committees  
11 on the Budget and include a report on adjustments  
12 under subparagraphs (B) and (C) in the preview re-  
13 port.”.

14 **SEC. 4. LEVEL OF OBLIGATION LIMITATIONS.**

15 (a) HIGHWAY CATEGORY.—For the purposes of sec-  
16 tion 251(b) of the Balanced Budget and Emergency Def-  
17 icit Control Act of 1985, the level of obligation limitations  
18 for the highway category is—

- 19 (1) for fiscal year 2004, \$34,309,000,000;  
20 (2) for fiscal year 2005, \$35,671,000,000;  
21 (3) for fiscal year 2006, \$36,719,000,000;  
22 (4) for fiscal year 2007, \$37,800,000,000;  
23 (5) for fiscal year 2008, \$38,913,000,000; and  
24 (6) for fiscal year 2009, \$40,061,000,000.

1 (b) MASS TRANSIT CATEGORY.—For the purposes of  
 2 section 251(b) of the Balanced Budget and Emergency  
 3 Deficit Control Act of 1985, the level of obligation limita-  
 4 tions for the mass transit category is—

- 5 (1) for fiscal year 2004, \$7,266,000,000;
- 6 (2) for fiscal year 2005, \$7,750,000,000;
- 7 (3) for fiscal year 2006, \$8,266,000,000;
- 8 (4) for fiscal year 2007, \$8,816,000,000;
- 9 (5) for fiscal year 2008, \$9,403,000,000; and
- 10 (6) for fiscal year 2009, \$10,029,000,000.

11 For purposes of this subsection, the term “obligation limi-  
 12 tations” means the sum of budget authority and obligation  
 13 limitations.

14 **SEC. 5. ADVANCE APPROPRIATIONS.**

15 Section 251 of the Balanced Budget and Emergency  
 16 Deficit Control Act of 1985 is amended by adding at the  
 17 end the following new subsection:

18 “(d) ADVANCE APPROPRIATIONS.—In any of fiscal  
 19 years 2005 through 2006, discretionary advance appro-  
 20 priations provided in appropriation Acts in excess of  
 21 \$23,558,000,000 shall be counted against the discre-  
 22 tionary spending limits for the fiscal year for which the  
 23 appropriation Act containing the advance appropriation is  
 24 enacted.”.

1 **SEC. 6. EXTENSION OF PAY-AS-YOU-GO REQUIREMENT.**

2 (a) PURPOSE.—Section 252(a) of the Balanced  
3 Budget and Emergency Deficit Control Act of 1985 is  
4 amended to read as follows:

5 “(a) PURPOSE.—The purpose of this section is to as-  
6 sure that any legislation that is enacted before October  
7 1, 2009, that causes a net increase in direct spending will  
8 trigger an offsetting sequestration.”.

9 (b) TIMING.—Section 252(b)(1) of the Balanced  
10 Budget and Emergency Deficit Control Act of 1985 is  
11 amended by striking “any net deficit increase” and all  
12 that follows through “2002,” and by inserting “any net  
13 increase in direct spending enacted before October 1,  
14 2009,”.

15 (c) CALCULATION OF DIRECT SPENDING IN-  
16 CREASE.—Section 252(b)(2) of the Balanced Budget and  
17 Emergency Deficit Control Act of 1985 is amended—

18 (1) by striking “deficit” the first place it ap-  
19 pears and inserting “direct spending”;

20 (2) in subparagraph (A) by striking “and re-  
21 ceipts”;

22 (3) in subparagraph (C) by striking “and re-  
23 ceipts”; and

24 (4) by amending the heading to read as follows:

25 “CALCULATION OF DIRECT SPENDING INCREASE.—  
26 ”.

1 (d) CONFORMING AMENDMENTS.—(1) The heading  
2 of section 252(c) of the Balanced Budget and Emergency  
3 Deficit Control Act of 1985 is amended to read as follows:  
4 “ELIMINATING A DIRECT SPENDING INCREASE.—”.

5 (2) Paragraphs (1), (2), and (4) of section 252(d)  
6 of the Balanced Budget and Emergency Deficit Control  
7 Act of 1985 are amended by striking “or receipts” each  
8 place it appears.

9 (3) Section 252(e) of the Balanced Budget and  
10 Emergency Deficit Control Act of 1985 is amended by  
11 striking “or receipts” and by striking “, outlays, and re-  
12 ceipts” and inserting “and outlays”.

13 (4) Section 254(c)(3) of the Balanced Budget and  
14 Emergency Deficit Control Act of 1985 is amended—

15 (A) in subparagraph (A) by striking “net deficit  
16 increase or decrease” and by inserting “net increase  
17 or decrease in direct spending”;

18 (B) in subparagraph (B) by striking “amount  
19 of deficit increase or decrease” and by inserting “in-  
20 crease or decrease in direct spending”; and

21 (C) in subparagraph (C) by striking “a deficit  
22 increase” and by inserting “an increase in direct  
23 spending”.

1 **SEC. 7. DEFINITIONS.**

2 (a) IN GENERAL.—Section 250(c) of the Balanced  
3 Budget and Emergency Deficit Control Act of 1985 is  
4 amended by adding at the end the following new para-  
5 graphs:

6 “(20) The term ‘advance appropriation’ means  
7 appropriations that first become available one fiscal  
8 year or more beyond the fiscal year for which an ap-  
9 propriation Act making such funds available is en-  
10 acted.

11 “(21)(A) Except as provided by subparagraph  
12 (B), the term ‘emergency requirement’ means any  
13 provision that provides new budget authority and re-  
14 sulting outlays for a situation that poses a threat to  
15 life, property, or national security and is—

16 “(i) sudden, quickly coming into being, and  
17 not building up over time;

18 “(ii) an urgent, pressing, and compelling  
19 need requiring immediate action;

20 “(iii) subject to subparagraph (B), unfore-  
21 seen, unpredictable, and unanticipated; and

22 “(iv) not permanent, temporary in nature.

23 “(B) An emergency that is part of an aggregate  
24 level of anticipated emergencies, particularly when  
25 normally estimated in advance, is not unforeseen.”.

1       (b) FIRE SUPPRESSION; CONTINGENCY OPERATIONS  
2 RELATED TO GLOBAL WAR ON TERRORISM.—Section  
3 251(b)(2) of the Balanced Budget and Emergency Deficit  
4 Control Act of 1985 is amended by adding at the end the  
5 following new subparagraph:

6               “(I) FIRE SUPPRESSION.—(i) If a bill or  
7 joint resolution is enacted that provides new  
8 budget authority for wildland fire suppression  
9 for fiscal year 2005 or fiscal year 2006 that  
10 would cause the level of total new budget au-  
11 thority for wildland fire suppression to exceed  
12 the base amount for that fiscal year, the adjust-  
13 ment for that fiscal year shall be the additional  
14 new budget authority provided for such purpose  
15 and the additional outlays flowing from such  
16 amounts, but shall not exceed—

17               “(I) for the Forest Service for fiscal year  
18 2005 or fiscal year 2006 (as applicable),  
19 \$400,000,000; and

20               “(II) for the Department of the Interior  
21 for fiscal year 2005 or fiscal year 2006 (as ap-  
22 plicable), \$100,000,000.

23               “(ii) For this subparagraph, the term “base  
24 amount” refers to the average of the obligations of  
25 the 10 fiscal years preceding the current year for

1 wildfire suppression in the Forest Service and in the  
2 Department of the Interior, as calculated by OMB,  
3 but for fiscal year 2005 the base amount is  
4 \$880,000,000.

5 “(J) CONTINGENCY OPERATIONS RELATED  
6 TO GLOBAL WAR ON TERRORISM.—If, for fiscal  
7 year 2005, appropriations for discretionary ac-  
8 counts are enacted for contingency operations  
9 related to the global war on terrorism that, pur-  
10 suant to this subparagraph, the President des-  
11 ignates as a contingency operation related to  
12 the global war on terrorism and the Congress  
13 so designates in statute, the adjustment shall be  
14 the total of such appropriations in discretionary  
15 accounts so designated, but not to exceed  
16 \$50,000,000,000, and the outlays flowing in all  
17 fiscal years from such appropriations.”.

18 (c) CONFORMING AMENDMENT.—The second sen-  
19 tence of section 250(c)(4)(A) of the Balanced Budget and  
20 Emergency Deficit Control Act of 1985 is amended to  
21 read as follows: “The general purpose discretionary cat-  
22 egory shall consist of accounts designated in the joint ex-  
23 planatory statement of managers accompanying the con-  
24 ference report on the Spending Control Act of 2004.”.

1 **SEC. 8. PROJECTIONS UNDER SECTION 257.**

2 Section 257(c) of the Balanced Budget and Emer-  
3 gency Deficit Control Act of 1985 is amended by inserting  
4 after paragraph (6) the following new paragraph:

5 “(7) EMERGENCIES.—New budgetary resources  
6 designated under section 251(b)(2)(A) or  
7 251(b)(2)(J) shall not be assumed beyond the fiscal  
8 year for which they have been enacted.”.

9 **SEC. 9. EXCEPTION FOR OUTLAY COMPONENTS OF EXPIR-**  
10 **ING RECEIPTS LEGISLATION.**

11 Section 252(d)(4) of the Balanced Budget and Emer-  
12 gency Deficit Control Act of 1985 is amended by striking  
13 “and” at the end of subparagraph (A), by striking the  
14 period and inserting “; and” at the end of subparagraph  
15 (B), and by adding at the end the following new subpara-  
16 graph:

17 “(C) extending provisions in the Economic  
18 Growth and Tax Relief Reconciliation Act of  
19 2001 or provisions in sections 101 through 104,  
20 section 202, or sections 301 and 302 of the  
21 Jobs and Growth Tax Relief Reconciliation Act  
22 of 2003.”.

23 **SEC. 10. REPORTS.**

24 Subsections (c)(2) and (f)(2)(A) of section 254 of the  
25 Balanced Budget and Emergency Deficit Control Act of  
26 1985 are amended by striking “2002” and inserting



1 “2006 (or 2009 solely for purposes of enforcing the discre-  
 2 tionary spending limits for the highway and mass transit  
 3 categories)”.

4 **SEC. 11. EXPIRATION.**

5 Section 275(b) of the Balanced Budget and Emer-  
 6 gency Deficit Control Act of 1985 is amended by striking  
 7 “2002” and inserting “2006 (or 2009 solely for purposes  
 8 of enforcing the discretionary spending limits for the high-  
 9 way and mass transit categories)” and by striking “2006”  
 10 and inserting “2013”.

11 **SEC. 12. TECHNICAL CORRECTIONS TO THE BALANCED**  
 12 **BUDGET AND EMERGENCY DEFICIT CONTROL**  
 13 **ACT OF 1985.**

14 Part C of the Balanced Budget and Emergency Def-  
 15 icit Control Act of 1985 is amended as follows:

16 (1) In section 250(a), strike “SEC. 256. GEN-  
 17 ERAL AND SPECIAL SEQUESTRATION  
 18 RULES” and insert “Sec. 256. General and special  
 19 sequestration rules” in the item relating to section  
 20 256.

21 (2) In subparagraphs (F), (G), (H), (I), (J),  
 22 and (K) of section 250(c)(4), insert “subparagraph”  
 23 after “described in” each place it appears.

24 (3) In section 250(c)(18), insert “of” after “ex-  
 25 penses”.

1           (4) In section 251(b)(1)(A), strike “commit-  
2       tees” the first place it appears and insert “Commit-  
3       tees”.

4           (5) In section 251(b)(1)(C)(i), strike “fiscal  
5       years” and insert “fiscal year”.

6           (6) In section 251(b)(1)(D)(ii), strike “fiscal  
7       years” and insert “fiscal year”.

8           (7) In section 252(b)(2)(B), insert “the” before  
9       “budget year”.

10          (8) In section 252(c)(1)(C)(i), strike “para-  
11       graph (1)” and insert “subsection (b)”.

12          (9) In section 254(c)(3)(A), strike “subsection”  
13       and insert “section”.

14          (10) In section 254(f)(4), strike “subsection”  
15       and insert “section” and strike “sequesterable” and  
16       insert “sequestrable”.

17          (11) In section 255(g)(1)(B), move the four-  
18       teenth undesignated clause 2 ems to the right.

19          (12) In section 255(g)(2), insert “and” after  
20       the semicolon at the end of the next-to-last undesign-  
21       ated clause.

22          (13) In section 255(h)—

23                (A) strike “and” after the semicolon in the  
24       ninth undesignated clause;

1 (B) insert “and” after the semicolon at the  
2 end of the tenth undesignated clause; and

3 (C) strike the semicolon at the end and in-  
4 sert a period.

5 (14) In section 256(k)(1), strike “paragraph  
6 (5)” and insert “paragraph (6)”.

7 (15) In section 257(b)(2)(A)(i), strike  
8 “differenes” and insert “differences”.

○